

EXHIBIT A

Reorg Research

Mon 05/08/2017 15:53 PM

Puerto Rico

Commonwealth Officials Remain Optimistic on Reaching Voluntary Deals With Creditors Despite Title III Filings

Despite the commencement of Title III proceedings last week for both [the commonwealth of Puerto Rico](#) and [the Puerto Rico Sales Tax Financing Corp.](#), which is known by the Spanish acronym COFINA, the commonwealth continues talks with creditors and remains optimistic that it will reach voluntary deals, commonwealth officials said today.

Public Affairs and Policy Secretary Ramón Rosario said during a press conference at La Fortaleza that the commonwealth's public policy is to try to reach consensual deals and said that the commonwealth decided to file Title III for its two largest credits because of legal actions taken by GO bondholders and COFINA bondholders debt that could have affected government operations. Last week, the commonwealth faced several lawsuits after the expiration of the PROMESA stay, including multiple lawsuits filed by [Ambac](#) as well as separate lawsuits filed by [a group of senior COFINA bondholders](#) and [an ad hoc group of GO bondholders](#). Assured Guaranty and National Public Finance Guarantee also jointly filed a [lawsuit](#) after the commencement of the commonwealth's Title III proceeding.

"We decided to file Title III for two large credits, general obligation and COFINA bonds, because they threatened the continuity of government operations," Rosario said. "If a creditor puts at risk the operationality of the government or the payment of public workers, we will take up any remedy under the law to avoid this."

Elías Sánchez, the governor's representative to the PROMESA oversight board, said in a radio interview this morning that there could be announcements as soon as this week on proposed consensual deals. Rosario, when asked about these comments, said, "As there are conversations about an accord, I'm sure that Mr. Sanchez and the director of the respective public corporation will be making the announcement."

The PROMESA oversight has certified [a fiscal plan](#) for the commonwealth, which appears to cover GO and COFINA debt, and separate fiscal plans for the Government Development Bank, Puerto Rico Electric Power Authority, Aqueduct and Sewer Authority and Highways and Transportation Authority. Having a certified financial plan in place is one of the requisites of a Title III filing. Work must still be undertaken to complete the fiscal plans the board ordered to be drawn up by the University of Puerto Rico and COSSEC, the regulator of savings and loan cooperatives.

Rosario pointed to [the voluntary deal](#) that was negotiated with Puerto Rico Electric Power Authority credits as evidence of the administration's preference for good-faith talks. "This has also been the case with GDB creditors," he added. "There have been very good conversations with the creditors. They are working outside the courts and Title III." On April 28, PREPA [filed](#) a public disclosure containing the 11th supplement to the utility's restructuring support agreement with creditors, which supplemented the RSA and incorporated the terms of the agreement announced on April 5.

GDB President Christian Sobrino also told Reorg Research today in a brief interview at La Fortaleza that the public corporation he directs is not considering a Title III filing because he continues to have conversations with GDB bondholders. "We are talking to everybody," he said, referring to hedge funds, local investors and island savings and loan cooperatives that hold GDB notes.

A source familiar with the matter said that a deal with GDB creditors appears to be "close," but the source acknowledged that the deal has "many moving parts" and could still come apart.

The GDB missed a \$54.4 million payment to noteholders due May 1, according to a May 4 [filing](#) on the Municipal Security Rulemaking Board's EMMA website by the Fiscal Agency and Financial

Advisory Authority and a subsequent EMMA filing by Wilmington Trust as successor trustee. Last May, just before the commonwealth first defaulted on its GDB debt, skipping \$367 million of a \$423 million GDB payment due, the commonwealth and a group of GDB creditors reached an agreement in principle that would have provided a 53% haircut to GDB noteholders. At the time, the commonwealth reached an agreement for a bond swap with local cooperatives holding \$33 million in notes to exchange the notes maturing May 1, 2016, for new ones that matured on May 1, 2017.

Sobrinho and other officials have declined to release details on the talks with GDB creditors and the officials with cooperatives involved in the deal did not return requests for comment.

Meanwhile, PREPA issued a statement emphasizing that it has reached a “consensual debt restructuring agreement” with its creditors under PROMESA’s Title VI. **The statement said that PREPA is not part of the commonwealth Title III filing and that the public corporation does not anticipate that the filing “Commonwealth Title III will have a significant impact on PREPA.”**

PREPA Executive Director Ricardo Ramos said the Title VI PREPA deal contemplates a timeline that “could allow the transactions to be completed by September 2017.” The statement emphasizes that Title VI is intended to be an out-of-court consent solicitation related to the financial indebtedness and “only briefly goes to court at the very end to confirm the voting results and get an order approving the consensual deal. A Title VI process does not involve a restructuring or modification of the claims of PREPA’s other creditors and suppliers.”

AAFAF and PREPA submitted the RSA to the oversight board on April 28, as required by one of the RSA's milestones in the RSA, AAFAF officials told Reorg Research this afternoon. The submission stated that the RSA was a “pre-existing voluntary agreement and requested that the Board certify the proposals therein as a “qualifying modification consistent with PROMESA.”

One source close to the matter also predicted that the commonwealth would likely make a Title III filing for the HTA but said this is not considered as urgent as the COFINA and the commonwealth filings. In a report released today, Moody’s Vice President Ted Hampton said that PRASA may also be able to reach a Title VI restructuring accord with creditors. PRASA officials have been working with its creditors for more than a year on possible financing and restructuring deals across two administrations.

Prime Clerk Engagement Agreement

As noted in its initial Title III petition, the PROMESA oversight board has engaged Prime Clerk for work under Title VI and Title III of the federal statute.

Under the contract, New York-based Prime Clerk is tasked with acting calculation, information and claims agent under Title VI. It will act as solicitation, notice and claims agent under Title III. The contract reads, “If the government restructures its debts under Title 3, the FOMB shall, if applicable, seek authority from the presiding Court to retain Prime Clerk as Solicitation and Claims Agent.”

The contract was signed on May 3, the same day the PROMESA board submitted a Title III petition on behalf of the commonwealth government. The board posted the contract on its website on May 5, the day it filed a Title III petition on behalf of COFINA.

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